



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
2 NAVY ANNEX
WASHINGTON, DC 20380-1775

IN REPLY REFER TO

4860

LR
SEP 21 1999

From: Commandant of the Marine Corps

Subj: INDEPENDENT REVIEW OFFICERS (IRO) FOR A-76 STUDIES

Ref: (a) Office of Management and Budget (OMB) Circular A-76
Revised Supplemental Handbook (March 1996)

(b) Installation Reform (IR) Business Plan of 26 Apr 99

Encl: (1) NAVAUDSVC memo 4860 AUD-2 of 27 Aug 99

1. Reference (a) requires that an IRO certify that the Government's cost estimates in each A-76 study comply fully with all the procedures and requirements outlined in reference (a). This letter establishes general Marine Corps procedures for complying with the IRO requirements in reference (a). As noted in enclosure (1), the Naval Audit Service (NAVAUDSVC) has agreed to serve as the IRO for all Marine Corps A-76 cost comparisons involving 51 or more civilian employees. Since the Marine Corps' policy articulated in reference (b) is to pursue multi-function studies, the 51 employees threshold will encompass almost every study we will be conducting. In those few instances that do not meet the 51 person threshold, the affected commands should work with CMC(LR) to identify an appropriate IRO who will satisfy the requirements of reference (a).

2. As noted in enclosure (1), the NAVAUDSVC will require contract support to perform the detailed analysis of the Government's cost estimate. The Navy's Competitive Sourcing and Privatization Branch (N465) is issuing a solicitation for IRO support and anticipates having a contract awarded early in Fiscal Year 2000. CMC(LR) is working with N465 to provide IRO support for all Marine installations via the Navy's contract. HQMC will centrally fund this effort.

3. Once N465 has made an award, CMC(LR) will advise all affected installations as to the procedures for obtaining the needed contractual support. In the interim, the A-76 points of contact should ensure that they are familiar with the NAVAUDSVC's "Guide for Reviewing Cost Estimates Prepared

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Under the Commercial Activity Program." A copy of the guide and the form letter for requesting the NAVAUDSVC's support is available in the "Resource Materials" section of LR's website at <http://www.hqmc.usmc.mil/lrweb.nsf>. You may address any questions concerning IRO-related issues to Mr. Tom Upton at (703) 614-4760/2644, DSN: 224-4760/2644.



R. E. HAMMOND

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DEPARTMENT OF THE NAVY
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4860
AUD-2
AUG 27 1999

MEMORANDUM FOR HEADQUARTERS, U.S. MARINE CORPS (Deputy Chief of
Staff for Programs and Resources)

Subj: INDEPENDENT REVIEWS OF COST COMPARISONS PERFORMED UNDER
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-76

Ref: (a) HQMC memo 4860 LR/RF of 9 Aug 99

1. Your memorandum, reference (a), proposed that the Naval Audit Service (NAVAUDSVC) serve as the independent review officer (IRO) for A-76 cost comparisons involving Marine Corps installations. You indicated a preference that we perform the entire review and certification process for all Marine Corps cost comparisons, regardless of size, but recognized that a more limited role may be acceptable. We are interested in providing support, and agree to serve in a more limited role as IRO for cost comparisons involving 51 or more civilian employees. This arrangement, however, will require you to engage contractors to perform the more labor intensive independent review function.
2. We have a similar agreement with the Navy and, based on several A-76 cost comparison studies to date, this arrangement has worked reasonable well. Contractors, arranged through the Navy's Competitive Sourcing Support Office (CSSO), perform detailed analysis of the government's in-house cost estimates, and the NAVAUDSVC provides contractor oversight and certification of the estimates. To arrange and plan for independent review contractor support, you may want to discuss your requirements with the CSSO.
3. Timely notification of needed support is essential. The independent review contractor support should be arranged as soon as practicable after a study begins. The NAVAUDSVC should be notified at least 30 days before the contractor begins work.
4. We are pleased to help the Marine Corps meet its important goal of streamlining the shore infrastructure and reducing costs. Please contact Mr. Wayne Adams at (202) 433-5610 (DSN 288), or email adams.wayne@hq.navy.mil when you wish to arrange for IRO support. A copy of our review guide and IRO request letter is available on the CSSO web page (<http://www.fac131.navfac.navy.mil.csso>).

William E. Bragg
WILLIAM E. BRAGG
Acting, Assistant Auditor General
for Plans, Policy, and Resources

Copy to:
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